



**THE ALT/BAU APPROACH IN
THE POST-COVID RECOVERY
OF URBAN AREAS**

IVÁN TOSICS
URBACT PROGRAMME
EXPERT
19 APRIL 2021





The Alt/Bau approach

Calls the attention on important aspects in order of reactivating vacant residential buildings in need of refurbishment

- ◆ **Develop an integrated database for inventory and monitoring of vacant buildings**
- ◆ **Activating and supporting owners**
- ◆ **Activating and supporting potential buyers and investors**
- ◆ **Connecting and coordinating public and private stakeholders**

All these can most effectively achieved by a dedicated housing agency



The broader use of the approach

Reasons why housing units stay empty can be manifold, due to

- ◆ missing refurbishment
- ◆ legal uncertainties with renting
- ◆ unwillingness to rent out
- ◆ speculation

The approach and the tool (housing agency) can be useful in all of these cases

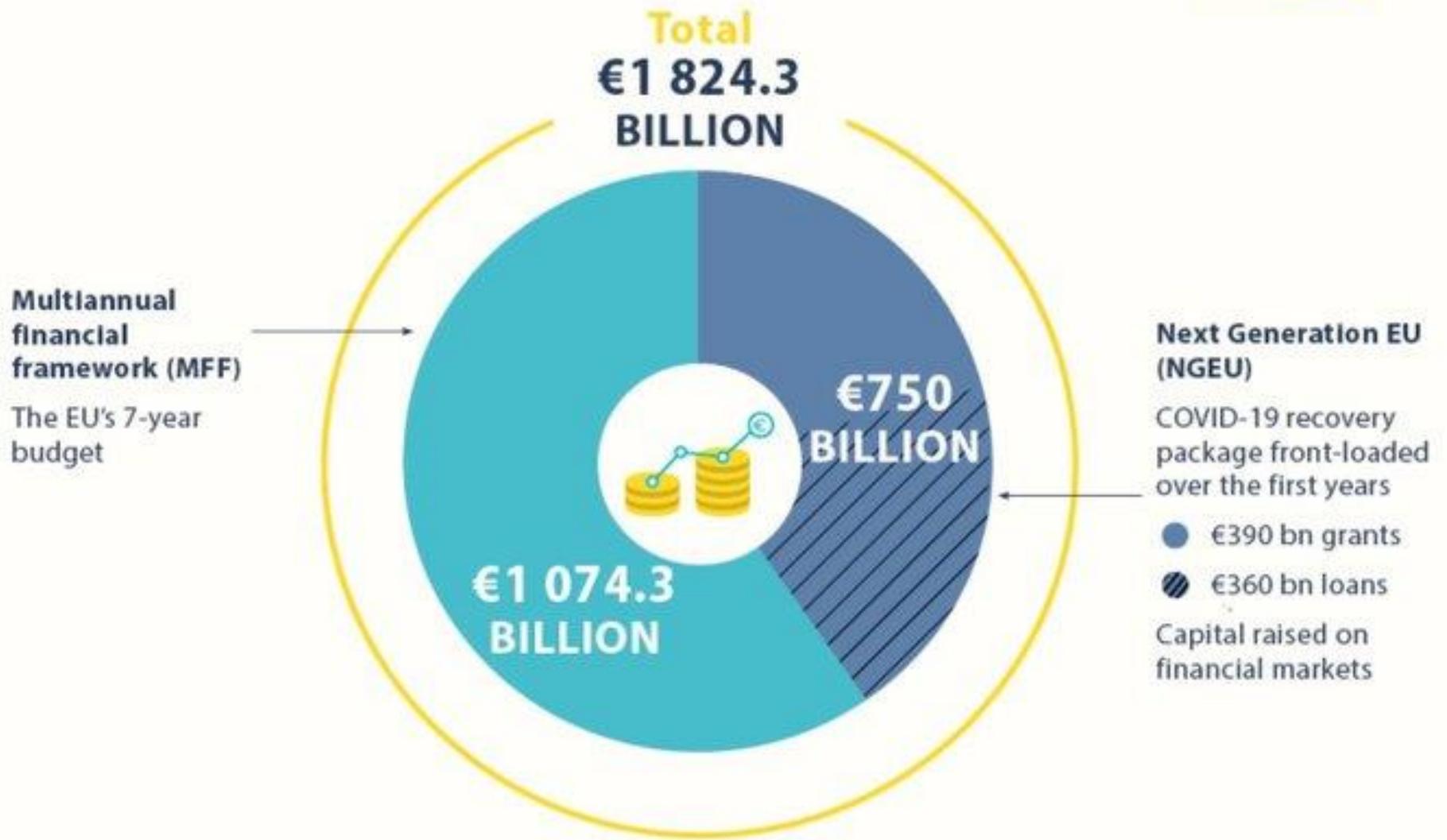
- ◆ Example: social housing agency (Budapest)



The renovation aspect

- ◆ Renovation of residential buildings is key aspect regarding the fight of climate change
- ◆ EU Green Deal became the leading vision of the 2021-2027 Cohesion policy period
- ◆ COVID shock: the visionary framework remained while additional programmes and financial resources have been decided

Overall budget 2021-2027



Resilience and Recovery Facility

- Member States have to prepare **recovery and resilience plans (RRP)** that set out a **coherent package of reforms and public investment projects**, which have to be **implemented by 2026**.
- These plans have to address challenges identified in the **European Semester**, particularly the country-specific recommendations adopted by the Council
- Each plan has to include a minimum of **37% of expenditures related to climate** and a minimum of **20% of expenditures to foster the digital transition**.
- Allocation key of money involves also the observed and projected **loss in real GDP over 2020-2021**.

The procedure of the RRF

- Member States are currently preparing their RRP-s, which have to be sent to the Commission before the **end of April 2021** the latest.
- These national plans will be **assessed by the Commission** within 2 months, on the basis of which the **Council makes a decision**.
- Member States could theoretically **block disbursement from the RRF to a Member State** if they feel there was not enough progress with reforms.

FLAGSHIP AREAS FOR INVESTMENTS AND REFORMS

POWER UP

CLEAN TECHNOLOGIES AND RENEWABLES

RENOVATE

ENERGY EFFICIENCY OF BUILDINGS

RECHARGE AND REFUEL

SUSTAINABLE TRANSPORT AND CHARGING STATIONS

CONNECT

ROLL-OUT OF RAPID BROADBAND SERVICES

MODERNISE

DIGITALISATION OF PUBLIC ADMINISTRATION

SCALE-UP

DATA CLOUD CAPACITIES AND SUSTAINABLE PROCESSORS

RESKILL AND UPSKILL

EDUCATION AND TRAINING TO SUPPORT DIGITAL SKILLS

RENOVATE: By 2025, contribute to the **doubling of the renovation rate and fostering of deep renovation.**

- **Energy and resource efficiency** scheme for **public buildings**, health and social infrastructures based on comprehensive energy performance contracts
- Home renovation support scheme to increase the **energy and resource efficiency of residential buildings and social housing**
- Reuse and recycling **infrastructure investments**

The need for multi-level governance

- The RRF regulation refers only to the Member States, there is **no obligation or requirement to involve subnational authorities** into planning and implementation
- Local communities suffer greatly from the economic and social consequences of the crisis. The finances of municipalities are severely threatened by the crisis, the **scissor effect (growing tasks while decreasing revenues)** jeopardises their ability to provide public services
- It is the **cities that are the drivers of the green, digital and just transitions** that Europe needs for recovery.



How to get RENOVA TE to your city?

EU Renovation wave is crucial for energy-oriented deep renovation of residential buildings

- ◆ Ensure that energy efficient renovation is included into the National Reform Programme of your country (to be handed in to the Commission by 30 April)
- ◆ Prepare a programme for your city, identifying buildings which can quickly be mobilized for renovation by RRF (finished by Q3 2026) or Cohesion Policy means
- ◆ Housing Agency can be very useful in this process, preparing a database of buildings in the need of energy renovation and activating and supporting owners

Innovative ideas are needed how deep renovation can address the case of empty buildings



The social aspect of housing

Once upon a time in many countries strong social welfare policies existed, with important housing elements

In such countries housing was high on the agenda in the cities

Since the 1980s neoliberalism led to the decrease of welfare policies, social housing has been marginalized

The EU also played its role in this process:

- ◆ rules to ensure economic competitiveness dominate over social considerations;
- ◆ housing is formally member state competence but heavily influenced indirectly by EU free market regulations



The new housing crisis

Since the late 2000s problems with the lack of affordable housing are mounting

- ◆ financialization of housing and market solutions affect mostly the better part of the housing stock
- ◆ public sector led solutions are needed to tackle with the rest of the stock and with the poorer strata of society
- ◆ housing agencies are established (again) in growing number of cities

Such agencies should step out from their narrow scope to become engines for affordable housing policies



Specialities of the post-COVID situation

During COVID many aspects of urban life have changed fundamentally

- ◆ **home office for third (or even half) of urban workforce**
- ◆ **deepening inequalities between social groups**
- ◆ **changing behaviour in mobility and in the use of public space**

The last year brought innovative temporary interventions and sharp debates about new policies aiming for permanent outcomes



Swap vacant office buildings into housing

February, 2021: Paris municipality calls owners of empty standing properties to sell these as part of the “Réinventer Paris” project

- ◆ **the first 6 projects are underway, 60,000 sqm of housing will be made available**
- ◆ **the city is not buying buildings, it is mediating between sellers and buyers, supervising and selecting the winning project**
- ◆ **for each project, a jury including owner representatives (in majority), city representatives and experts in architecture and urban planning selects the project and grants planning permission**
- ◆ **developers are preferred who comply with the vision of the city of tomorrow, emphasizing affordable housing, heritage and historic dimension, climate change aspects**



PSA RETAIL garage, 62 avenue de la République (11th arrondissement)

Source: <https://www.c40reinventingcities.org/en/professionals/sites-in-competition/converting-offices-into-housing-various-sites-1511.html>



Renault garage, 29 quai de Grenelle (15th arrondissement)

Source: <https://www.c40reinventingcities.org/en/professionals/sites-in-competition/converting-offices-into-housing-various-sites-1511.html>



Swap vacant hotels into housing

The state of California spent \$800 million on 94 projects that will become 6,000 permanent supportive housing units

- ◆ Hotel Diva was bought from an investment group by the nonprofit Episcopal Community Services of San Francisco with help from a state grant, accounts for 130 of them.

California's hotel buying program set up a national model to fashion tens of thousands of new homeless quarters for less than the cost of new construction, and in a fraction of the time, by repurposing hotels, strip malls and other distressed real estate that has been heavily discounted by the pandemic and its economic fallout

The \$1.9 trillion American Rescue Plan, signed by President Biden in March, allocates \$5 billion to fund efforts to provide housing for homeless people, including through conversions.



The Hotel Diva, a seven story, 130-room former boutique hotel, is being used to house the homeless during the pandemic as part of a state and federal effort

Source: <https://www.nytimes.com/2021/04/17/business/california-homeless-hotels.html>



The role of housing in the recovery

Policy Brief by Steffen Wetzstein for HfHI

The COVID-19 pandemic has hit the world hard. Pre-existing and systemic inequalities have been exacerbated by the pandemic.

Recovery and resilience plans are currently being developed around the world, rightfully unified by aspirational ‘building back better’ and ‘people-centered’ philosophies.

It is essential that housing is recognized for the multifaceted ways it contributes to social, economic, and environmental outcomes.

Post-pandemic recovery will not be achieved in silos or in competition, but in inclusive, connected and interdependent ways. Reconciling the needs of people for an adequate, decent and affordable home with the urgent imperative to ‘green and cool’ our planet might be the way to go.

Housing agencies can do a lot to fight for new housing policies.



THANK YOU FOR YOUR ATTENTION!

Iván Tosics

URBACT Programme Expert

tosics@mri.hu